

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

CONTINENTAL CARS, INC., a
Washington corporation, d/b/a
AUBURN VALLEY,

Plaintiff,

V.

MAZDA MOTOR OF AMERICA,
INC., a California corporation, d/b/a
MAZDA NORTH AMERICAN
OPERATIONS.

Defendant.

CASE NO. C11-5266BHS

ORDER DENYING
DEFENDANT'S MOTION FOR
RECONSIDERATION

This matter comes before the Court on Defendant's ("Mazda") motion for reconsideration of the Court's order denying judgment on the pleadings (Dkt. 33). The Court has considered the documents filed in support of this motion and the remainder of the file and hereby denies the motion for the reasons discussed herein.

1 **I. PROCEDURAL HISTORY AND FACTUAL BACKGROUND**

2 This case arises out of Mazda's alleged breach of a contract (the "Agreement")
3 that it entered into with Plaintiff ("Auburn Valley"). For a more complete factual
4 background see the Court's order denying Auburn Valley's motion for preliminary
5 injunction (Dkt. 28) and the Court's order denying judgment on the pleadings (Dkt. 32).

6 On June 30, 2011, the Court denied Auburn Valley's motion for preliminary
7 injunction. Dkt. 28. On September 9, 2011, the Court denied Mazda's motion to dismiss
8 Plaintiff's ("Auburn Valley") case on the pleadings. Dkt. 32.

9 On September 23, 2011, Mazda moved for reconsideration. Dkt. 33. Mazda limits
10 its motion "to the extent that the Order [denying judgment on the pleadings (Dkt. 32)]
11 concludes that ALJ lacks authority to review contract terms, and that parallel proceedings
12 may be maintained" because it is "contrary to the statutory scheme" at issue. Dkt. 33 at 2.

13 **II. DISCUSSION**

14 **A. Standard**

15 Motions for reconsideration are governed by Local Rule CR 7(h), which provides
16 as follows:

17 Motions for reconsideration are disfavored. The court will ordinarily deny
18 such motions in the absence of a showing of manifest error in the prior
19 ruling or a showing of new facts or legal authority which could not have
20 been brought to its attention earlier with reasonable diligence.

21 Local Rule CR 7(h)(1).

1 **B. Mazda’s Motion for Reconsideration**

2 Mazda’s argument for reconsideration rests on the premise that RCW Chapter
3 46.96 provides the exclusive remedy for a dealership to challenge a dealer’s termination
4 based on felony conviction. *See generally* Dkt. 33; *see also* RCW 46.96.070(2)(c) (felony
5 conviction of a dealer principal is automatic good cause for termination of a dealership by
6 the dealer). As a threshold issue, Mazda cannot succeed in its motion for reconsideration
7 without first establishing that the Court erred in determining that RCW Chapter 46.96
8 does not provide such an exclusive remedy.

9 To begin with, Mazda has not established that Auburn Valley’s contract rights,
10 which carry a statute of limitations lasting six years, has been reduced to the fifteen days
11 required of a dealership to challenge a dealer termination under RCW Chapter 46.96.
12 Mazda has also glossed over the fact that it agreed with Auburn Valley that a felony
13 conviction of Auburn Valley’s dealer principal would not constitute *per se* good cause for
14 termination, which is expressly contemplated by the statutory scheme; instead, they
15 agreed that Mazda would have to establish that the conviction caused certain hardships to
16 it and others. *See* Dkt. 32 at 2-3 (setting out Paragraph 22(B) of the Agreement). Mazda
17 has not established that RCW Chapter 46.96 trumps their Agreement. And, while it may
18 be that an ALJ may look to and interpret terms in a contract outside the scope provided
19 within statutory framework to determine whether a dealer has breached materially
20 significant franchise provisions, Mazda has not established that Auburn Valley must
21 forego having its dispute decided in court rather than through the available administrative
22 resolution process outlined in RCW Chapter 46.96. In short, Mazda has not established

1 with adequate authority that RCW Chapter 46.96 provides an exclusive remedy. *See, e.g.*,
2 Dkt. 3-9 (Court's prior determination that RCW Chapter 46.96 is not exclusive).

3 Mazda also argues that the order denying preliminary injunctive relief to Auburn
4 Valley and the order denying Mazda's motion for judgment on the pleadings are
5 inconsistent with one another. This may be true; however, the point is unavailing to
6 Mazda's motion for reconsideration. In its order denying Auburn Valley's motion for
7 preliminary injunction the Court presumed without deciding that Chapter RCW 46.96
8 operated as the exclusive remedy for Auburn Valley in this case. However, within that
9 order, the Court ordered the parties to file additional briefing on the issue of exclusivity.
10 Upon review of those materials and the applicable case law, the Court concluded the
11 statutory framework does not provide an exclusive remedy. Further, to the extent the
12 orders were inconsistent, the Court has determined and provided its interpretation of the
13 applicable laws in the more recent order denying Mazda's motion for judgment on the
14 pleadings. *See* Dkt. 32.

15 Here, Mazda has presented the Court with no competent evidence or adequate
16 authority that would justify granting reconsideration on the issues presented. In short,
17 Mazda has not carried its burden on reconsideration.

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III. ORDER

Therefore, the Court hereby **DENIES** Mazda's motion for reconsideration (Dkt.

33).

Dated this 27th day of September, 2011.



BENJAMIN H. SETTLE
United States District Judge